



U · S · DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
DIRECTIVES SYSTEM

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Subject: AML Fee Collection Manual

Approval:

Title: Director

1. Purpose. This directive establishes the AML Fee Collection Manual, incorporates it into the Office of Surface Mining (OSM) Directive System, and informs all AMLFCS users and clients of the AML Fee Collection System (AMLFCS) capabilities.

2. Summary. This directive establishes policies and procedures for all functions of the Abandoned Mine Land Fee Collection System (AMLFCS) and consists of:

- o introduction and overview of system (Appendix A)
- o updates and changes to policy and procedure between re-publication of the directive (Appendix B)
- o instructions for calculating interest, penalty and administrative costs (including collection contractor costs); activation and inactivation of mines; blocking procedures for delinquent debt; refunds; excess moisture calculations; billing procedures for delinquent debt and identification of non-respondents (Appendix C).
- o a "Topical Index" (Appendix D)

While this directive is primarily concerned with the Division of Financial Management (DFM), AML Fee Collection Branch, it reflects the close working relationship between DFM, the Division of Debt Management, the Division of Compliance Management, the Applicant Violator System Office, the OSM Field Offices and the Solicitor's Office. This manual is the definitive result of concurrence between all Divisions involved.

3. Definitions. See Appendix D, "Topical Index"

4. Policy/Procedures.

a. Concept. The AML Fee Collection Manual provides a means of solidifying policies and procedures between the Division of Financial Management, Division of Debt Management, Division of Compliance Management, Applicant Violator System Office, the OSM Field Offices and the Solicitor's Office. The directive is designed to reflect changes as they occur in an effort to promote inter-divisional understanding and singleness of purpose.

b. Responsibilities. It is the responsibility of the Division of Financial Management to maintain the accuracy and timeliness of this directive, to publish changes, and distribute updates as quickly as possible to all users and clients.

Other Divisions with responsibilities outlined in this directive include OSM Field Offices, the Applicant Violator System Office, the Division of Debt Management, the Division of Compliance Management, and the Solicitor's Office.

5. Reporting Requirements. None.
6. Effect on Other Documents. Clarification and definition.
7. References. Surface Mining Control and Reclamation Act of 1977 and Abandoned Mine Reclamation Act of 1990.
8. Effective Date. October 1, 1991.
9. Contact. Division of Financial Management, (303) 236-0331.
10. Keywords. AMLFCS, Abandoned Mine Land Fee Collection System
11. List of Appendices.

- Appendix A, Introduction and Overview
- Appendix B, Updates and Changes
- Appendix C, AML Topics
- Appendix D, Topical Appendix

Appendix A

Introduction and Overview

Purpose and Scope

The Branch of Abandoned Mine Land Fee Collection compiled this manual for Field Offices, the Division of Debt Management (DDM), the Division of Compliance Management (DCM), Applicant Violator System Office (AVSO) and other users of the Abandoned Mine Land Fee Collection System (AMLFCS).

This manual establishes policies and procedures surrounding the AMLFCS.

Statutory Authority

The Office of Surface Mining Reclamation and Enforcement's (OSM) basic authorization is derived from the Surface Mining Control and Reclamation Act of August 3, 1977 (30 U.S.C. 1201 et seq.). The purposes of this law include:

- protecting society and the environment from the effects of coal mining operations;
- reclaiming existing and future mined areas that endanger public health and safety, prevent or damage the beneficial use of land or water resources, or decrease environmental quality;
- providing a fund for abandoned mine reclamation;
- providing technical and financial assistance to States with primary regulatory authority over coal mining activities within their boundaries.

30 CFR 870.11 Applicability

"The regulations in this part apply to all surface and underground coal mining operations except--

- a) The extraction of coal by a landowner for his own noncommercial use from land owned or leased by him;
- b) The extraction of coal for commercial purposes by surface coal mining operations which affects two acres or less during the life of the mine (suspended for any surface coal mining operations beginning on or after June 6, 1987, and for any surface coal mining operations conducted on or after November 8, 1987);
- c) The extraction of coal as an incidental part of Federal, State, or local government-financed highway or other construction;
- d) The extraction of coal incidental to the extraction of other minerals where coal does not exceed 16 2/3

percent of the total tonnage of coal and other minerals removed for commercial use or sale

(1) In accordance with part 702 of this chapter for Federal program States and on Indian lands or

(2) In any twelve consecutive months in a State with an approved State program until counterpart regulations pursuant to part 702 of this chapter have been incorporated into the State program and in accordance with such counterpart regulations, thereafter; and (e) The extraction of less than 250 tons of coal within twelve consecutive months."

The Surface Mining Control and Reclamation Act of 1977, Title IV, Section 401, Abandoned Mine Reclamation, established a trust fund on the books of the Treasury for administration by the Secretary of the Interior. The fund consists of amounts secured through reclamation fees and user charges and donations. Section 402 of the Act authorizes the collection of a reclamation fee from coal mine permittee/operators

Title IV is implemented through the procedures contained in 30 CFR Part 870, Abandoned Mine Reclamation Fund, Fee Collection and Coal Production Reporting.

The following offices are responsible for AML Fee Collection functions.

DFM	accounting operation
DCM	audit
DDM	debt collection, non-respondent
AVSO	activation/inactivation
FODs	oversight, activation/ inactivation, non-respondent
SOL	debt collection

(See "Acronyms" in this manual.)

While this manual is primarily concerned with the Division of Financial Management, AML Fee Collection Branch, all areas work closely together. For example,

DDM has the primary responsibility for collecting unpaid AML reclamation fees, including implementing further collection action for delinquent debt.

DCM performs audits of permittee/operators who are responsible for paying reclamation fees to enforce compliance.

AVSO provides DFM with new permit information so that the OSM-1 form can be mailed. DFM provides debt information to AVSO for permit blocking purposes.

Upon referral of debt by DDM to the Solicitor's Office, Solicitors perform the legal steps necessary to obtain payment

of the AML debt.

Each office must depend upon the others for information and cooperation. More discussion is given to the various responsibilities they assume under the topics of: "Activation," "Inactivation" and "Non-respondents."

SMCRA Amendments

The Abandoned Mine Reclamation Act of 1990 amended the Surface Mining Control and Reclamation Act of 1977 in part as follows:

A portion of the fund will be deposited in an interest bearing account.

The fee collection provisions of The Surface Mining Control and Reclamation Act of 1977 are extended until September 30, 1995, unless it is further extended by an Act of Congress.

The Coal Reclamation Fee Report (OSM-1) shall be modified to reflect the "permittee of the surface coal mining operation, any operator in addition to the permittee, the owner of the coal, the preparation plant, tippie, or loading point for the coal, and the person purchasing the coal from the operator. The permit shall also specify the number of the permit required under section 506 and the mine safety and health identification number."

System Overview

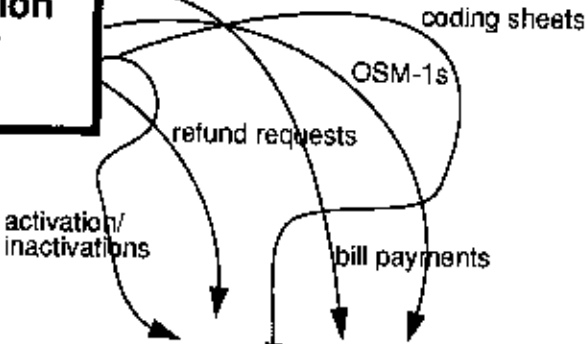
The diagram on the following page illustrates the relationship between the various offices and industry with regard to the information they contribute and receive from the AML Fee Collection System computer.

Mission Statement

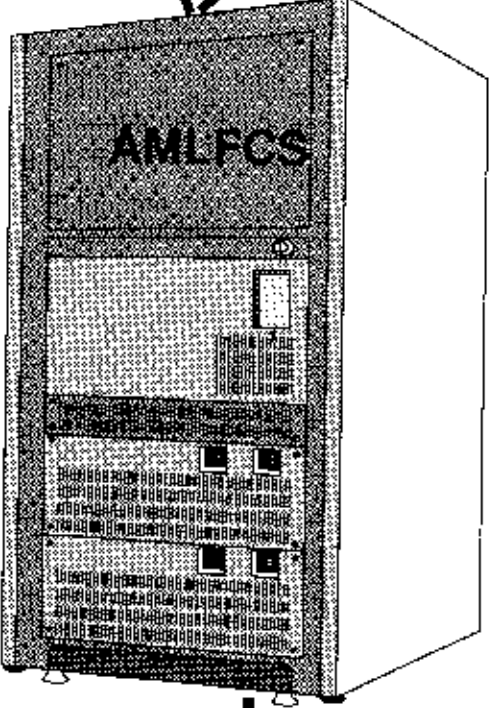
The AML Fee Collection System (AMLFCS) was established to provide reclamation fee collection and accounting services and maintain an accurate data base of mine information. AMLFCS responsibilities include:

- accounting for reclamation fees and sales data submitted by payers;
- maintaining accurate, timely information of debt and non-respondent data; providing an automated system to record compliance information including fee, interest, and penalty payments;
- providing reports that monitor the effectiveness of the Fee Compliance program; and
- providing a fiscal-year report of reclamation funds available for allocation to States and to Indian Tribes.

Sources of Information		
AVS	DCM	Industry
SOL	DFM	DDM

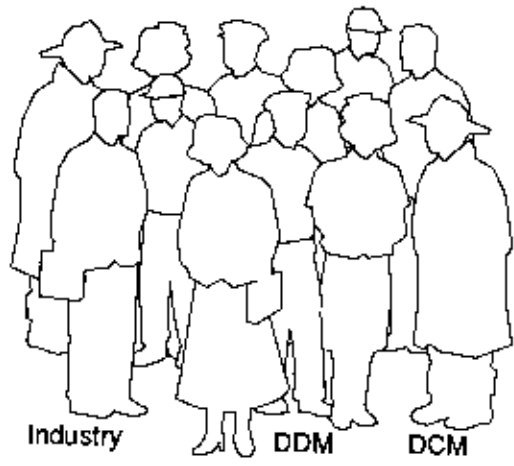


System
Overview



Collaboration with AVS on data.

Collaboration with MSHA on tonnage.



Industry
AVS
Dunn & Bradstreet
IRS
SOL
DDM
FODs
DCM

computer generates
on-line reports (4)
hard copy reports (45)
tapes (3)
OSM-1s (quarterly)
bills & demand letters
non-respondent letters

Information provided to

The Division of Financial Management operates the AMLFCS through the combined effort of three branches, the Branch of AML Fee Collection, the Branch of Financial Systems Development and the Branch of Financial Systems and Operations.

AMLFCS Personnel

The Branch of AML Fee Collection consists of two sections: the Operations Section and the Reports and Analysis Section. All personnel may be reached at: (303) 236-0368.

The **Operations Section** is responsible for all data entry of OSM-1s, money transactions, coding sheets, transfers to/from other funds or accounts, refunds and any other data input that affects the system. This section is also responsible for verification of data input for accuracy; follow up with payers for completeness of data; processing and researching written and telephone requests from users; interfacing with the Applicant Violator System for addition and deletion of mines; micro-filming and filing of source documents; ordering, distributing and filing reports and system outputs such as OSM-1s, bills, non-respondent letters and payer letters; and archiving documents.

To ensure better customer service, the accounting technicians have been designated as company representatives and their duties organized by company.

The **Reports and Analysis Section** is responsible for analyzing the accuracy of accounting transactions and data integrity; reconciling all reports within the AMLFCS; parallel testing and assuring the accuracy of any system conversions; compiling standard and special reports; developing, revising, and documenting procedures and directives; scheduling month-end and year-end closing, providing user training for the AMLFCS; performing system queries, providing information for Freedom of Information Act requests, and other special projects.

The **Branches of Financial Systems and Operations and Financial Systems Development** are responsible for maintaining the hardware and software and performing systems accounting and computer programming to support the system. The system is currently operated on a Hewlett-Packard mini-computer.

Appendix B

Updates and Changes

Appendix C

AML Topics

Acronyms

The following list of acronyms are used throughout this manual.

ABACIS	Advanced Budget/Accounting Control Information System
AML	Abandoned Mine Land
AMLFCS	Abandoned Mine Land Fee Collection System
AVS	Applicant Violator System
AVSO	Applicant Violator System Office
CFR	Code of Federal Regulations
DCM	Division of Compliance Management
DDM	Division of Debt Management
DFM	Division of Financial Management
DOJ	Department of Justice
DT	Deposit Ticket
D&B	Dunn and Bradstreet
FIPS	Federal Information Processing Standards
FOD	Field Office Director
IRS	Internal Revenue Service
MOU	Memorandum of Understanding
MSHA	Mine Safety and Health Administration
OPAC	On-line Payments and Collections
OSM	Office of Surface Mining Reclamation and Enforcement
OSM-1	Coal Reclamation Fee Report
RSR	Request for Status Report
SF	Standard Form
SMCRA	Surface Mining Control and Reclamation Act of 1977
SOL	Solicitor's Office
SRA	State Regulatory Agency

Activation of Permits

I Additions from AVS/FOD

A State Regulatory Agency (SRA) Process

- 1) SRAs are required under a memorandum of understanding to enter all new permits and transfers into AVS within 30 days of issuance.
- 2) SRAs are required to update AVS with any changes in operators on the permit within 30 days.

- 3) On the first day of the months of March, June, September, and December, AVS will send the Request for Status Report (RSR) to Field Office Directors for those sites where AVS and DFM have been unsuccessful in obtaining missing data.
 - 4) By the 15th of the month, the FOD (in consultation with SRA) will return the completed RSR to AVS.
- B Applicant Violator System Office (AVSO) Addition Process
- 1) By the 10th of each month, new and transferred permits entered by the SRA into AVS will be included in the AVS-OSM-1 File, with the MSHA No. if available. The AVS-OSM-1 File was developed by AVSO to link producing and potentially producing permits to MSHA numbers in the AMLFCS. This data base groups permits under a master entity number and operators associated with the permit. Permittee entity numbers assigned by AVSO are connected through the "master entity," which is also assigned by AVSO.
 - 2) The active mailing list of OSM-1 forms represents producing or potentially producing mining operations. In all states with adequate procedures for timely and accurate verification of status, where mining activity has not started and no MSHA exists in AMLFCS, the permit is considered a "not start" and an OSM-1 form is not sent until the MSHA/permit link is made. For states without adequate procedures, an OSM-1 form will be mailed at the time the permit is issued even if the permit is in a temporary cessation or non-start status. Permits without an MSHA No. will be assigned an identifier as follows: the first two digits will be the state code and the permit number will be right justified. Note: Neither permit numbers nor MSHA numbers necessarily describe a mining operation. Permits may represent one or several operations or more than one permit number may apply to a single operation. An MSHA No. may be related to one or more mining operations, or several AML accounts may be related to one permit. For reporting purposes, the AVSO is responsible, in cooperation with the company, to select one of the permit numbers assigned for a producing site to be linked in the AVS-OSM-1 File to an MSHA No.
 - 3) Prior to the 15th of the month, the AVSO will:
 - * add to the AVS-OSM-1 File only those producing permits which are newly issued and represent unique mining operations. All permits which represent operations such as haul roads, tippies, and other non-producing facilities will be deleted.
 - * establish the status of the new permit by contacting the permittee, SRA, or OSM Field Office by use of Request for Status Report (RSR) to determine if oper-

ations have started and obtain a corresponding MSHA ID. (See "Inactivation of Permits" made by AVSO.)

* link the permit No. to the MSHA ID. by determining if an existing MSHA No. covers the permit or if a new MSHA No. must be established. Sources for this determination are MSHA R-31 tape, permittee contact, and the AML data base.

4) Send permit additions to DFM as they occur to update the AMLFCS. Information required to be provided by AVSO for AMLFCS additions is permit number, permittee entity, master entity, permittee name and address, operator name and address, MSHA ID, OSM-1 mailing address, contact person, phone number, state/tribe, and county. This information will be transmitted via coding sheet, OSM-AMLFCS -2 signed by the Chief, AVSO or Acting. Transferred permits will be processed in the same manner as newly issued permits, except, for each transfer addition, a corresponding inactivation of the previous permit/MSHA No. must be made by AVSO on the same or an additional OSM-AMLFCS-2 form.

C DFM process for additions to the active universe

DFM will manually load new permits with constant data to the AMLFCS within one day of receipt. The DFM permit data base (see "Permit Data Base") is updated on the 15th of each month by a diskette down load from the AVS-OSM-1 File. The down load includes additions or changes to permit numbers based on the entry date of the permit into AVS, not the issue date, and changes in entity numbers.

D Synchronization process of AVS active universe to AML active universe

Within five days, DFM will compare the updated permit data base to active MSHA IDs on the AMLFCS and the following exception reports will be generated:

Active permits on AVS with no MSHA ID on AMLFCS.

Active MSHA IDs on AMLFCS with no permit on AVS (these are sent an OSM-1 form).

AVS permit/MSHA match- entries with no corresponding MSHA in AMLFCS.

Permittee entity numbers on AVS which differ from Entity numbers in AMLFCS by MSHA ID.

Permittee names on AVS which differ from permittee names in AMLFCS.

E AVSO/DFM process for exception resolution

These exceptions are reviewed and resolved by AVSO and

DFM within 15 days. OSM-1 forms are not mailed for unresolved exceptions. This procedure will establish AVS as controller for adding new permit/MSHA Nos. into the AMLFCS and inactivation of existing active sites.

II Changes Initiated by Industry

A DFM process

- 1) During the first two weeks of the month following receipt of the OSM-1 forms, DFM inputs the OSM-1 and cash information in AMLFCS.
- 2) For new additions, DFM accesses the permit data base to determine if the permit has been entered by AVSO into AVS-OSM-1 File and transmitted to DFM. DFM contacts the payer by phone if permit No., MSHA No., permittee and/or operator name and address are missing. DFM prepares a coding sheet, OSM-AMLFCS-2, that notates whether the permit is on the permit data base or in AVS and requests concurrence from AVSO for the addition.
- 3) On OSM-1 forms which report tonnage for mines that are inactive in AMLFCS, DFM researches the cause. DFM prepares a coding sheet, OSM-AMLFCS-2 which notates whether the permit is on the permit data base or in AVS, includes research for reactivation of an inactive mine and requests concurrence from AVSO for the reactivation.

B AVSO/DFM Process for Resolution of Changes from Industry

- 1) AVSO determines the validity of the addition by contacting the permittee, SRA, and/or the FOD (by use of the RSR). If the permit is determined to be valid and has not been entered into AVS, AVSO will contact the FOD who will contact the SRA within five days to request the entry of the new permit into AVS.
- 2) AVSO provides concurrence or denial of the DFM request to add the mine within 24 hours by telefax. The coding sheet is signed by the Chief, AVSO or Acting.
- 3) DFM adds approved permit/MSHA IDs. into the AMLFCS within 1 day of receipt of the approval by AVSO.
- 4) If AVSO does not concur, AVSO will identify the correct permit number and MSHA ID and notify DFM within 24 hours.
- 5) A copy of the OSM-1 form will be sent to AVSO with any changes in permit No. or permittee address along with an explanation obtained from the permittee as to the reason for the change. AVSO will determine if the change is valid and update the AVS-OSM-1 File and notify DFM within 24 hours.

III Changes Initiated by Other OSM Offices

A Additions from DDM/DCM

1) Additions of active mines - DFM upon receipt of an approved coding sheet from DDM or DCM will follow the procedure under Additions From Permittees/Operators on OSM-1 forms.

2) Additions of inactive mines - DFM within five days of receipt of an approved coding sheet from DDM or DCM will add the mine and immediately inactivate it.

IV Additions due to change in Permittee/Operator (Sequencing)

A DFM receives a change of permittee/operator on the OSM-1 form. DFM reviews the Mine Number Reference list to determine the last sequence No. used and to verify that the permittee and/or operator has changed. The next sequence number is assigned. This new number is a new mine; therefore, the procedure for Additions from Permittee/Operators on OSM-1 form is followed.

B DFM inactivates the old sequence number following the inactivation procedures. See procedures for inactivation of permit/MSHA IDs.

Also see: inactivation of permits, non-respondents

Administrative Costs

A policy agreed upon by both Chief, Division of Debt Management and Chief, Division of Financial Management dated November 9, 1990, established a \$16 a month administrative charge. The \$16 charge is effective June 30, 1991, and is charged on the second bill. The third bill also includes a \$16 charge, and each successive billing cycle (two per month) will increase the administrative fee by \$8 until the debt is paid or terminated. An analysis of costs for debt pursuit is on file to support the administrative fee.

For reporting quarters prior to 91/1,

if the full payment on a debt was not received, an administrative charge was assessed within sixty days of the due date (administrative date). →

Quarter	Admin Date
1	06/29
2	09/28
3	12/29
4	03/31

For reporting quarters 91/1 forward,

administrative charges begin with the second bill, and billing cycles run bimonthly.

More explanation:

Year/quarter prior to 91/1

- A. Year/quarter prior to 91/1 with debt remaining after the administrative date and paid off before July 15, 1991:

one-time administrative charge of \$38

- B. Year/quarter prior to 91/1 with tons reported before 91/1 but no fee paid and the debt still outstanding as of July 15, 1991:

- one-time administrative charge of \$38
- \$8 charge each billing cycle (The \$8 charge went into effect on July 15, 1991)

- C. Year/quarter prior to 91/1 with tons reported after 91/1:

- one-time administrative charge \$38
- \$16 charge when the 2nd demand letter is mailed
- \$16 charge when the 3rd demand letter is mailed
- \$8 charge for each billing cycle thereafter.

Year/quarter 91/1 and forward

Year/quarter 91/1 and forward where the debt has not been fully paid:

- \$16 charge when the 2nd demand letter is mailed
- \$16 charge when the 3rd demand letter is mailed
- \$8 charge for each billing cycle thereafter (There is no one-time \$38 charge for these year/quarters)

Also see: penalty, interest, waivers (interest, penalty, admin. cost), judgment situation, fee payments, payments

**AMLFCS
Outputs**

The AMLFCS generates notices and bills to customers as well as information and reports used by DFM, DDM, DCM, AVSO, the Solicitor's Office and others.

Also see: OSM-1 Coal Reclamation Fee Report, non-respondent letters, demand letters, bills for collection, refunds, tapes, reports.

**Applicant Violator
System Office**

The Applicant Violator System Office (AVSO) and the Division of Financial Management synchronize information to keep the permitting system consistent. The policy for activation and inactivation of permits defines a process for gathering, updating and reporting the on-site information to the two systems.

Also see: Applicant Violator System Tape, activation of permits, inactivation of permits, bill status codes, non-respondents, non-respondent letter.

**Applicant Violator
System Tape**

The AMLFCS produces a weekly tape for AVS to use in blocking new permits. The tape includes the following:

- 1) Delinquent and terminated fee debt of \$200 or greater. The delinquent amount is based on the debt due per quarter and is not rolled up by MSHA ID. The \$200.00 threshold preserves historical consistency since debts less than \$200.00 have never been referred to AVS.

See "bill status" codes for a discussion of what each code means.

Delinquent fee debt of \$200 or greater within a quarter	
Bill status code	AVS action
00, 01, 04, 05, 06, 07, 11, 12, 13	block permit
02, 03, 09	condition permit
10 (termination codes 11 - 15)	block permit

- 2) Permittee/operators who are non-respondent in year/quarter 91/1 and forward.

Also see: permit data base, bill status codes, non-respondents

Audit Waiver Status Codes

The audit waiver status code indicates the reason for waiving an audit in the Audit Fee Billing and Collection System and is constant information section of the AML Mine Detail report. This is what each code means:

- 01 - Out of business prior to 1982
- 02 - Non-producing facility
- 03 - No production under SMCRA
- 04 - Costs expected to exceed recovery
- 05 - Out of business prior to SMCRA
- 06 - Mine abandoned prior to SMCRA
- 07 - Mine closed prior to SMCRA
- 08 - Inability to locate records
- 09 - Mine closed prior to 1982
- 10 - Non-producing site
- 11 - Inactive prior to SMCRA
- 12 - Incorrect ID
- 13 - Permanently abandoned prior to SMCRA
- 14 - Permanently abandoned
- 15 - No currently active ID
- 16 - State forfeited company's bond
- 17 - No active permit
- 18 - No production this quarter(s)
- 19 - Exempt - 2 acres (prior to 1987)
- 20 - Exempt - incidental boundary
- 21 - Referred to SOL
- 22 - Bankrupt

Also see: Mine Detail Report

Batches

Technicians at the AML Fee Collection Branch refer to groups of documents as "batches." Since the AMLFCS is not a real time computer system, the information is processed overnight in batches. Many reports list the batch number where the actual supporting documents are filed.

Also see: Deposit ticket numbers.

Bills for Collection

The permittee/operator is responsible for paying reclamation fees for coal sold on a quarterly basis. Under SMCRA, 30 U.S.C. & 1232(b), 30 C.F.R. & 870.15(a), a separate and distinct debt is created at each operation for each quarter. If payment is submitted to pay a specific quarter of debt, the payment must be applied to the quarter specified.

For example, if a payment comes in with an OSM-1 for the fourth quarter (Q4), and there is delinquent debt in the previous quarters (Q2 and Q3), payment is first applied to Q4. If money remains after applying it to Q4, the remainder is considered an overpayment and can be used to offset previous debt, oldest quarter first.

Delinquent payments

Bills and demand letters are issued for fees due of \$30 and greater to both permittees and operators as established by the legislative history for Abandoned Mine Reclamation Act of 1990:

"...Accordingly, the Committee intends for the Secretary to hold the contractor or lessor and the contractee or lessee jointly and severally liable for payment of the reclamation fees. Further, the Committee finds that the Secretary has properly construed the term "operator" to encompass the permittee of the coal mining operation as jointly and severally liable for the reclamation fee."

Effective March 30, 1991, the AMLFCS began running billing cycles on the 15th and at the end of each month for delinquent payments.

Since each bill pertains to only one quarter, a permittee/operator may receive more than one bill for the same mine ID (an example is a fee was late for a prior quarter).

Three bills with three increasingly stronger demand letters (see "demand letters") are issued while the fee remains unpaid.

1st bill and demand letter are issued during the first billing cycle (15th of the month) after the debt becomes due.

2nd bill and demand letter are issued 30 days after the first bill.

3rd bill and demand letter are issued 15 days after the second.

Bills and demand letters are issued to both the operator and permittee for fee debt of \$30 or greater (see "bill status codes").

Bill status codes 00 and 01 are automatically assigned by the AMLFCS; however, fifteen days after the third bill and demand letter are issued, the bill status code for fee debt of \$200 and greater will change automatically from bill status 01 to bill status 07.

Thirty days after the third bill and demand letter is issued, fee debt of \$30 through \$199 will be terminated automatically using termination code 27 and transferred to bill status 10.

Debts less than \$30 will be terminated automatically using termination code 26 during the daily update routine and will be transferred to bill status 10 automatically.

Quarters paid in full will be automatically changed to bill status 08.

During a bankruptcy, bill status 09, applicable interest and penalties continue to accrue but billing ceases.

The following table illustrates the billing process for the first quarter. Each quarter has a similar timetable.

First Quarter	
January February March	OSM-1 is mailed to payer on the 22nd day of the third month of the quarter
April	30th - OSM-1 and payment due. 31st - delinquent date.
May	15th - first bill and demand letter generated (if reported tonnage but did not pay). 25th - letter sent to operators who have not responded to the OSM-1
June	15th - second bill and demand letter generated. 30th - third bill and demand letter generated.

Fifteen days after the third bill, the debt is referred to the Division of Debt Management. No more bills are issued by the AML Fee Collection System.

Undeliverable bills will be itemized in a memorandum and sent to DDM for follow up. The Branch of AML Fee Collection will try to obtain a correct address before referring them to DDM.

The Division of Debt Management pursues debt collection through several methods. DDM may

- a - collect entire amount
- b - recommend enforcement action be taken by the Field Office (issuance of NOV (Notice of Violation/Cessation Order))
- c - reach an installment agreement
- d - refer the delinquent company to the Solicitor's Office for further collection, termination and/or compromise
- e - request a collection agency to pursue the debt
- f - terminate debt less than \$25,000 (principal amount)

Also see: bill status codes, demand letters, non-respondent letters, termination codes.

Bill Status Codes

Bill status codes are used in the AMLFCS to describe the status of the bill.

- 00 Bill not sent. Used during the period after tonnage is reported but before the first billing cycle is run.
- 01 Bill sent. Used after the first bill is sent. Debt remains in this category until paid or three bills are issued. This is the only bill status from which bills are generated by AMLFCS.
- 02 Solicitor payment agreement. Used for all debts in an approved Solicitor payment plan. If operator defaults, the code is changed to 01 and penalty and administrative fees automatically resume.
- 03 DDM payment plan. Used for all debts in an approved DDM payment plan. If the operator defaults, the code is immediately changed to 01 and penalty and administrative fees automatically resume and become retroactive to the original due date.
- 04 Debt referred by DDM to the Solicitor.
- 05 Debt referred by DDM to a collection agency.
- 06 Debt referred to Department of Justice by the SOL.
- 07 DDM inventory of debt to be worked. Debt of \$200 or greater will automatically be changed to this bill status after three bills and demand letters are issued.
- 08 Paid in full.
- 09 Debt in bankruptcy.
- 10 Terminated debt. Includes:
 - (a) debt less than \$30 (automatically terminated)
 - (b) debt between \$31 and \$199 (automatically terminated after three bills and demand letters are issued)
 - (c) debt \$200 and greater (see Coding Sheet Authority).
- 11 Net worth determination ordered, not yet received.
- 12 DDM awaiting Solicitor approval for reclassification.
- 13 Frequent non-payers under \$200.
- 14 Audit only - raw vs. clean
- 15 Audit only - zero amount due (not used after AFBACS conversion)
- 16 Audit only - audit appeal pending - no bill sent
- 17 Audit only - audit under appeal

Also see: mine status reason codes, penalty waiver flag, waiver (interest, penalty, admin.cost), termination codes, transaction codes, FIPs codes

Card Codes

Code	Updates any or all of these fields:
10	Status code in the constant record.
11	Fee Compliance Officer, Congressional dist., Indian land, tribe, last audit date, number of audits, audit status, state FIPs (Federal Information Processing), County FIPs, mail code and area office.
12	Permit number, expiration date, OSM mine ID, mine capacity, number of permits, coal inventory as of 9/30/77.
14	Mine name.
15	Contact name, contact phone, and nearest town.
21	Owner name, owner phone, owner change date and owner code.
22	Owner address, state, city and zip code in the owner file.
24	Operator name, phone, code and change date.
25	Operator address, city, state and zip code.
26	Permittee name, phone, code and change date in the constant date.
27	Permittee address, city, state and zip code in the constant record.
30	Deposit ticket number.
31	OSM-1 information on the master file.
41	Bill payment information on the master file.
43	Debit voucher information on master file.
44	Refund information on master file.
45	Termination amounts in accum record.
46	Penalty and interest information on master file.
47	Used with transaction 46 to update amounts associated with interest calculation.
48	Automatic termination.
50	Billing information: bill number, date, status; first demand, field office and judgement dates; rate and last billed amount.
51	Citation information in the non-response file and FCO contact data in master file.
52	Permittee address, city, state, zip code and phone in permittee file.
53	Permit holder, MSHA parent code, MSHA operator code, permit holder SSN/TIN (Social Security Number/Tax Identification Number), and permit issue date in permittee file.
54	MSHA parent name and MSHA operator name in permittee file.
60	Billing recalculation.

Also see: transaction codes

Codes

The AMLFCS uses various codes to indicate reasons, places and other specifics. This following list of codes may be found alphabetically in this manual. Codes are listed under their titles:

Audit Waiver Status Codes

Bill Status Codes

Card Codes

FIPs Codes

Interest Waiver Flag

Mine Status Reason Codes

Penalty Waiver Flag

Refund Reason Codes

voided refund reason codes

unclaimed refund reason codes

Termination Codes

AVS termination codes

non-AVS termination codes

Transaction Codes

Waivers

interest

penalty

admin. cost

Coding Sheet OSM-AMLFCS-1

This coding sheet is used to facilitate the following changes:

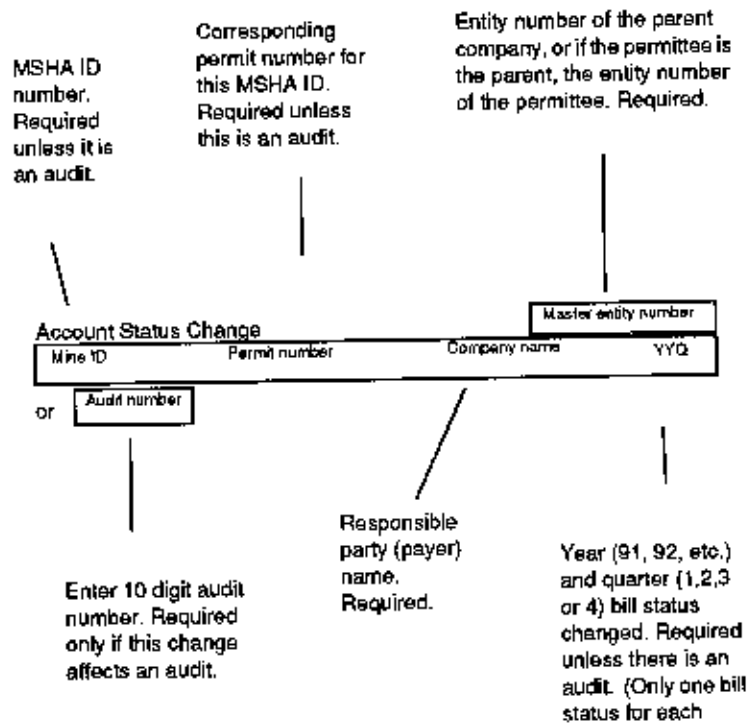
- account status change
- bill payment
- payment distribution/terminations
- tonnage/money transfers

Enter only the required information, such as the mine ID, permit number and master entity and any changes to the AML Fee Collection System.

Account Status Change			Master entity number		
Mine ID	Permit number	Company name	YYQ		
or					
Audit number					
(01) Bill (02) IP/B (03) IP (04) SOL (05) PCA (06) DOJ M (07) DD (08) BR (09) AT (10) NWD (11) SOLR (12) FNP (13) FvC (14) AUD (15) AUD Appealed					
Payment Distribution/Terminations					
check amount	check number	date	postmark		
waiver request	interest	admin.	penalty		
Judgement date: _____ Post petition interest rate: _____ Settlement date: _____					
Mine ID, seq., type	YYQ	Amt to apply	Amt to terminate	Term code	
Tonnage /Money Transfers (include refund offsets)					
From:	Mine ID, seq., type	YYQ	Tonnage	Amount	Check number
To:	Mine ID, seq., type	YYQ	Tonnage	Amount	Check number
Comments: _____					
Prepared by _____		date _____			
Office _____		phone _____			
Approved by _____		date _____			

The following pages show how each section of this coding sheet should be completed.

Account status change section



(01) B# (02) IP/B (03) JP (04) SOL (05) PCA (06) DOJ M
 (07) DO (08) BR (09) AT (10) NWD (11) SOLR (12) FNP
 (13) RvC (14) AUD (15) AUD Appealed



Enter a check mark next to the bill status code you want the quarter or audit changed to. See "Bill Status Codes" for an explanation of each code. Optional, use only if you need to change the bill status for a MSHA ID/year/quarter in AML or for an audit number in AFBACS.

Payment distribution/terminations section

If the check is to be applied as payment, these items must be completed:

Amount of check Identifying number on the check Date on the face of the check Postmark date on the envelope the check was mailed in

Payment Distribution/Terminations

check amount	check number	date	post/mark
waiver request	interest	admin	penalty

Mark yes here if interest, admin. or penalty waiver is requested.

Enter the beginning and end date of the period of the waiver for each applicable category.

Judgment date: _____ Post petition interest rate: _____ Settlement date: _____

Enter the date a judgment was entered into between the company and OSM only if there was a judgment.

Enter the post-judgment interest rate established for remaining debt after the judgment (only if there was a judgment).

Enter the date a settlement agreement was entered into by OSM and the company (only if a settlement agreement is established).

If payments are to be distributed to more than one quarter:

Enter the MSHA ID, sequence and type and each year/quarter that payments are to be applied to

Enter the amount for this year/qr.

If there is to be a termination, you must enter the amount for each year/qr. and the appropriate termination code (see "termination codes"). In AMLFCS, you may only terminate the remaining balance. In audit, you may designate if penalty, interest, admin and/or fee is to be terminated and the amount.

MSHA ID, seq., type	YYQ	Am't. to apply	Am't. to terminate	Term code

You may request "remaining balance" if you want to terminate with zero amount due.

Tonnage/money transfers

This area must be complete in order to perform a transfer.

Enter the MSHA ID, sequence, type and year/quarter tonnage or dollars are to be moved from.

Number of tons to be transferred to another mine ID.

Amount of check to be transferred

Number of the check that is to be transferred

Tonnage /Money Transfers (include refund offsets)

From:	Mine ID, seq., type	YYQ	Tonnage	Amount	Check number
-------	---------------------	-----	---------	--------	--------------

Enter the MSHA ID, sequence, type and year/quarter(s) tonnage or dollars are to be moved to.

Enter the tonnage and amount that is to be transferred to these mine ID year/quarters.

To:	Mine ID, seq., type	YYQ	Tonnage	Amount	Check number

Enter any comments to clarify the action requested with this coding sheet.

The preparer, originating office (e.g., SOL-Knoxville, Ashland Area Office, etc.), phone and approving official must be completed along with the current date.

Comments:

Prepared by _____ date _____
 Office _____ phone _____
 Approved by _____ date _____

To be valid for entry into the AMLFCS, they must be authorized by the appropriate signers (see "Coding Sheet Authority").

Also see, termination codes, penalty waiver flag, bill status codes, waiver (interest, penalty, admin. cost), refund processing, servicing levels, coding sheet authority.

Coding Sheet OSM-AMLFCS-2

This coding sheet is used for:
 adding and changing constant mine information
 changing mine status
 correcting and amending tonnage

Enter only the required information, such as the mine ID, permit number and master entity, and any changes to the AML System.

Constant Mine Information				<input type="checkbox"/> add new mine <input type="checkbox"/> change historical data	
Master entity number	Mine name		Tribal code _____ FCO code _____ Mail code _____ Audit number _____ Last date audited _____		
Permit number	Contact person				
Permittee TIN	Phone number				
Mine ID, seq. type	County FIPS	State FIPS			
Changes to current information					
<input type="checkbox"/> correction <input type="checkbox"/> new add		<input type="checkbox"/> correction <input type="checkbox"/> new add		<input type="checkbox"/> correction <input type="checkbox"/> new add	
Owner name (master)		Permittee name		Operator name	
Master entity number		Entity number TIN		Entity number	
Address		Address		Address	
City, State, Zip		City, State, Zip		City, State, Zip	
Mine Status Changes					
			<input type="checkbox"/> Activation <input type="checkbox"/> Inactivation		
year/ quarter	quarter status	reason code	year/ quarter	quarter status	reason code
Tonnage Amendments-Corrections					
<input type="checkbox"/> Amended tonnage from audit <input type="checkbox"/> Tonnage coding correction					
year/quarter	correct tonnage	year/quarter	correct tonnage	year/quarter	correct tonnage
Comments: _____					
			Prepared by _____		
			date _____		
			Office _____		
			phone _____		
			Approved by _____		
			date _____		

The following pages show how to fill out each of the sections of this coding sheet.

At the top of the page, check the appropriate box.

If you are adding a new mine (as a result of an audit) check this box. add new mine

If you are correcting information such as a name or address or activating/inactivating a quarter, check this box. change historical data

If the mine is on Indian land, enter the corresponding Tribal code (see Indian/Tribe Land codes).

If the mine has been audited, enter the Fee Compliance officer (auditor) code.

Enter the mail code for the entity who should receive OSM information (1=owner, 2=operator, 5=permittee).

If the mine has been audited before, enter the number of audits to date.

If the mine has been audited before, enter the last audit date.

Tribal code	_____
FCO code	_____
Mail code	_____
Audit number	_____
Last date audited	_____

Constant mine Information

Enter the owner (master) entity number. If there is no owner, the permittee entity is considered the master entity. (Required.)

Permit number for this mine. (Required.)

Constant Mine Information

Master entity number	Mine name	Enter the mine name, person to contact and their phone number. Optional.
Permit number	Contact person	
Permittee TIN	Phone number	
Mine ID, seq., type	County FIPS	State FIPS

The permittee TIN, tax identification number, is optional

The MSHA ID (mine ID, seq, type) and the County and State FIPs codes (where the mine is located) are required.

New mine IDs and/or permit numbers will be added to the AMLFCS only after concurrence with AVSO. All information fields must be complete for addition of new mines.

Changes to Current Information

Changes to these entities must be approved by AVSO.

Check the appropriate box to notify the accounting technician that either existing information is being corrected, or that you are adding a new entity.

<input type="checkbox"/> correction <input type="checkbox"/> new add Owner name (master)	<input type="checkbox"/> correction <input type="checkbox"/> new add Permittee name	<input type="checkbox"/> correction <input type="checkbox"/> new add Operator name
Master entity number	Entity number TAN	Entity number
Address	Address	Address
City, State, Zip	City, State, Zip	City, State, Zip

Entity Number:

Enter the corresponding entity number for the master, permittee and operator. Required, if you are adding a new mine or changing a company name.

If you are adding a new mine or changing an address, the address, city, state and zip code are required.

Mine Status Changes

This is the overall (constant) status of the mine and determines whether the company will receive an OSM-1. (Required.)

If you are adding a mine for historical purposes only, you must check the constant level inactivation box.

year/ quarter	quarter status	reason code	year/ quarter	quarter status	reason code

Activation
 Inactivation

Constant level

If you wish to change the status at the quarter level you must:

Enter the specific year/quarter you want to activate or inactivate.

Enter "I" for Inactive or "A" for Active for a specific quarter

Enter the status reason code, the reason that the activation or inactivation is happening (see "Mine Status Codes").

Mine inactivations are made only after concurrence with the AVSO. Mines will not be inactivated for temporary cessation.

Tonnage Amendments-Corrections

Check the appropriate box for amended tonnage as a result of an audit.

Check when the same tonnage for the same year/quarter is in AML and in the AFBACS system, AML must be zeroed out and the company billed from AFBACS.

Check when the auditor discovers that DFM has input the tonnage amount in error in the AML system.

Amended tonnage from audit Tonnage coding correction

year/quarter	correct tonnage	year/quarter	correct tonnage	year/quarter	correct tonnage

Enter the year/quarter you want to correct and enter the correct tonnage amount for that year/quarter.

Comments

Enter any comments to clarify the action requested with this coding sheet.

Comments:

The preparer, originating office (e.g., SOL-Knoxville, Ashland Area Office, etc.), phone and approving official must be completed along with the current date. (Required.)

Prepared by _____ date _____
 Office _____ phone _____
 Approved by _____ date _____

To be valid for entry into the AMLFCS, changes must be authorized by the appropriate signers. See "Coding Sheet Authority" for signers

Also see: mine status reason codes, Applicant Violator System, termination codes, penalty waiver flag, bill status codes, waiver (interest, penalty, admin. cost), refund processing, servicing levels

Coding Sheet Authority

Signature authority for coding sheets --

Coding sheet originated by	Must be signed by								
SOL DDM DFM	<table border="0"> <tr> <td>Waivers, terminations and suspensions</td> <td style="text-align: right;">Amount</td> </tr> <tr> <td>Chief, Division of Financial Management;</td> <td style="text-align: right;">Less than \$600</td> </tr> <tr> <td>Assistant Director Finance Accounting;</td> <td style="text-align: right;">Less than \$25,000 (principal amount)</td> </tr> <tr> <td>Chief, Division of Debt Management;</td> <td></td> </tr> </table>	Waivers, terminations and suspensions	Amount	Chief, Division of Financial Management;	Less than \$600	Assistant Director Finance Accounting;	Less than \$25,000 (principal amount)	Chief, Division of Debt Management;	
	Waivers, terminations and suspensions	Amount							
	Chief, Division of Financial Management;	Less than \$600							
	Assistant Director Finance Accounting;	Less than \$25,000 (principal amount)							
Chief, Division of Debt Management;									
<table border="0"> <tr> <td>With Solicitor concurrence:</td> <td style="text-align: right;">Less than \$100,000</td> </tr> <tr> <td>Assistant Director Finance Accounting;</td> <td></td> </tr> <tr> <td>Chief, Division of Debt Management;</td> <td></td> </tr> <tr> <td>Chief, Branch of Collections</td> <td></td> </tr> </table>	With Solicitor concurrence:	Less than \$100,000	Assistant Director Finance Accounting;		Chief, Division of Debt Management;		Chief, Branch of Collections		
With Solicitor concurrence:	Less than \$100,000								
Assistant Director Finance Accounting;									
Chief, Division of Debt Management;									
Chief, Branch of Collections									
Department of Justice	Over \$100,000								
Division of Debt Management	Other than waivers, terminations and suspensions. Chief, Branch of Collections Section Chiefs, Debt Processing Section I and II								
Division of Compliance Management	Managers, Region I and II Reviewers Supervisors								
Applicant Violator System Office	Chief, AVSO Specific persons as designated by name								
Solicitors (other than terminations)	Knoxville - AML Solicitor Denver - AML Solicitor Pittsburgh - AML Solicitor								
SOL DDM	When there is a request for a compromise, the Solicitor has the authority to compromise up to \$1,000 in reclamation fees with OSM approval. Anything over \$1,000 may only consist of penalties, interest or administrative fees. Any exceptions must be approved by the Deputy Director, Operations and Technical Services (OSM Directive CAA-2).								

Cutoff Dates Month-End

Month-end reports are always run as of the last day of the month.

Coding sheets and RFARs must reach DFM at least five days before the end of the month to ensure they will be included in the appropriate month's business.

Collections must reach DFM at least three days before the end of each month to ensure they will be included in the appropriate month's business. The month-end cutoff date for collections can be up to two days before the actual month-end date due to reports that are needed prior to closing DFM's month. If the month-end is cutoff early, the remaining day's collections will be deposited to the AML fund but not posted to individual accounts until the first day of the new month.

Year-End

All year-end coding sheets affecting accounts receivable status on Schedule 9 and RFARs dated September 30 and prior must be received by 12:00 noon on October 1. Faxed copies followed by overnight mailing will be accepted.

Data Collection Procedures for 402C Data

DFM and AVSO Process for Capturing 402(c) Data

The 1990 Amendment to the Surface Mining Control and Reclamation Act of 1977, Section 402C requires collection of the following information: mineral owner, purchaser of the coal, and designation of whether the coal is delivered to a tippie, prep plant or loading point. Permittee/operators will be requested to complete this information on OSM-1 form beginning in year/quarter 91/4. All subsequent OSM-1 forms will be preprinted with the information provided and will only require updating as changes occur.

The following procedure will be used:

- 1) DFM will enter 402C data and any revisions from the OSM-1 form directly into the AVS subsystem within 20 days of receipt of the OSM-1 form.
- 2) AVSO will verify the 402C data within 30 days and prepare a coding sheet for any changes to be made. Coding sheets must be forwarded to DFM by the last day of the second month of the calendar quarter. DFM will input the coding sheets within 5 working days.
- 3) By the 15th of the third month of the calendar quarter, AVSO will forward a diskette or tape of the down load of the cleansed 402C data for use by DFM in preprinting the OSM-1 form.

Also see: OSM-1 form (Part 3)

Demand Letters

The AML Fee Collection Branch issues three increasingly stronger letters with the first three bills after an account has become delinquent. Copies of these demand letters appear below.

Dear Debtor:

First demand letter

Our records indicate that total payment has not been received for reclamation fees you are required to pay on each ton of coal produced for sale, transfer, or use under the Federal Surface Mining Control and Reclamation Act of 1977. Those fees were required to be paid no later than 30 days after the end of the calendar quarter in which you reported tonnage.

Enclosed is a bill for the total debt determined to be due on the tonnage you reported during the quarter(s) indicated. If you have any questions concerning payment of the debt, contact a collection specialist at (202) 208-3603. If you believe the bill to be in error, you may submit an explanation and supporting documentation or contact an accounting technician by telephone at (303) 236-0368. Otherwise, payment is due immediately.

Full and timely payment will allow you to avoid the assessment of late charges and/or administrative debt offset. Federal regulations authorize:

- (1) the imposition of interest at a rate set by the U.S. Treasury beginning on the 31st day following the end of the calendar quarter.
- (2) a six percent per annum penalty will be imposed on debt that is delinquent for over ninety days.
- (3) assessment of administrative costs of \$16 on the second and third bill and \$16 a month thereafter to cover our collection costs.
- (4) administrative offset against any future payments or refunds due you from the Federal Government. You have the opportunity to inspect and copy agency records pertaining to the debt, request a review of the debt within 15 calendar days of receipt of this letter, and/or enter into a written agreement with the agency to repay the debt before offset occurs.

Sincerely,

Roy F. Morris
Chief, Division of Financial Management

Dear Debtor:

Second demand letter

Our records indicate that on (date-first bill and demand letter) we sent to you at the above address a bill and a letter requesting payment of your reclamation fee debt under the Federal Surface Mining Control and Reclamation Act of 1977. The enclosed second bill includes not only the initial debt due on the tonnage you reported during the quarter(s) indicated, but also the interest, penalty, and administrative costs that have accrued since the last billing.

Your debt is delinquent and payment is due immediately. Failure to pay this debt will result in the assessment of additional interest, penalty, and administrative charges. It will also force us to initiate further action such as:

- * Issuing citations that may result in the assessment of civil penalties.
- * An order to cease mining operations.
- * Referral of the debt to a collection agency.
- * Referral of the debt to our attorneys.
- * The initiation of action through permitting authorities to suspend your current permit(s).
- * Deny you the opportunity to obtain future permits.

In addition, we are authorized by federal regulations to report your delinquent debt to credit reporting bureaus. Information released to such bureaus would include your name, address, taxpayer identification number, the amount of your delinquent debt, and the date the delinquency arose.

If you believe this bill to be in error, please contact an accounting technician at (303) 236-0368. If you have a question concerning payment of the debt, immediately contact a collection specialist at (202) 208-3603 to ensure that any dispute may be resolved prior to further action.

Sincerely,

Roy E. Morris
Chief, Division of Financial Management

Dear Debtor:

Third demand letter

This is the third letter that has been sent to you requesting payment for reclamation fee debt due on your coal production under the Federal Surface Mining Control and Reclamation Act of 1977. The first letter was sent to you at the above address on (date-first bill and demand letter) and the second on (date-second bill and demand letter). The enclosed third bill reflects the total debt determined to be due on the tonnage you reported during the quarter(s) indicated.

Your continued failure to pay this delinquent debt leaves us no alternative but to pursue other avenues for collection. If payment is not received within fifteen (15) days of receipt of this letter, we will report your debt to a consumer reporting agency. At the same time, collection will be pursued through a private collection agency or through litigation. Your ability to retain a current permit or to obtain a future permit will be impaired since your name will be placed on a list of delinquent debtors, which will be sent to permitting authorities. If your debt is over \$5,000.00 and is delinquent for over 90 days, you may be issued a citation, which will result in the assessment of civil penalties or in the issuance of an order to cease operating until payment is received.

If you have any questions regarding payment of this bill, please contact a collection specialist at the Division of Debt Management at (202) 208-3603.

Sincerely

Roy E. Morris
Chief, Division of Financial Management

Also see: payments, bills for collection.

Deposit Ticket Number

The DT you see on many reports refers to the deposit ticket number assigned by Accounting when a group of payments (reclamation fees) are received from Mellon Bank. Deposits are made under a particular DT number. The number is used internally to track and research payments.

Also see: account number, batches, fee batch, fee payments.

Division of Compliance Management

Audit Offices

The table below lists the Division of Compliance Management audit offices by region and state.

DCM Audit Region	State	Area Office
Region I Pittsburgh, PA	PA, OH	Wilkes-Barre Pittsburgh
	MD, WV	Morgantown Beckley
	VA	Lebanon
Region II Lexington, KY	East KY	London Ashland Pikeville
	TN	Knoxville
	GA, AL	Birmingham
	West KY, IL, IN	Madisonville
	AR, IA, KS, LA, MS, OK, TX	Kansas City
	AK, AZ, CA, CO, ID, MT, NM, ND, UT, WA, WY	Kansas City

Due Dates

The following table shows the sequence of events for a quarter.

Quarter 91/2 (the second quarter of 1991)	April May June
payment due date	July 30
late payment date (delinquent date)	July 31
first bill cycle	August 15
interest late* date	August 30
admin fee due second bill cycle	September 15
admin fee due third bill date	September 30
penalty late* date	October 29

*Interest and penalty not paid by this date will begin to accrue from the late payment date.

Also see: payments, non-respondent, interest, penalty, administrative cost, judgement situations.

“Dummy” IDs Occasionally a need arises to enter a payment into the AMLFCS for a mine without an MSHA mine ID number. This situation can occur when a “wildcat” mine, operated and closed without a mine ID, is audited and found owing fees or MSHA does not assign a number.

Personnel in the AML Fee Collection Branch assign a dummy mine ID number in order to enter the mine information into the AMLFCS. The Branch of AML Fee Collections maintains a log of these special mine IDs along with the reason for issuing the dummy ID.

Also see: suspense accounts, MSHA IDs

Entity Numbers

The entity number is a registration number managed and controlled by the Applicant Violator System (AVS) Office. A unique, randomly generated six digit identification number is assigned to entities such as the permittee and operator or as a master entity number.

Master Entity Number

The master entity number is assigned to the parent company linked to permittees and operators by ownership and/or control.

Permittee Entity is assigned to permittees and used to transfer blocking information to AVS.

Operator Entity is assigned to operators.

Also see: permit number, MSHA ID

Excess Moisture

Excess moisture may also affect the tonnage fee. For coal produced on or after July 1, 1988, the operator may calculate a tonnage reduction (therefore, a fee reduction) due to moisture in excess of inherent moisture in the coal.

In order to take the excessive moisture content allowance, the operator must comply with certain requirements.

Excess Moisture Requirements

Prove the existence and amount of excessive moisture. The documentation must be updated as necessary in order to prove the continuing validity of the excess moisture allowance.

Use standard laboratory analyses to test for inherent and total moisture.

Test different seams of coal for variation in inherent moisture before they are blended and then sold, transferred or used.

Retain the results of all laboratory analyses and all other documents and records for not less than six years after the date of each analysis.

if the Office of Surface Mining disallows all or part of the allowance, submit additional fees plus interest, penalty and administrative charge.

OSM has provided permittee/operators with formulas to use to compute the correct excess moisture reduction. (Published in AML Payer Handbook dated July 1, 1992.) These formulas are based on the AML Payer Letter of September 14, 1990.

Also see: OSM-1 (part 2)

Fee Computation

The Abandoned Mine Land (AML) reclamation fee is assessed on each ton of coal produced for sale, transfer or use including the product of in situ mining. The amount of the fee is determined by the mine classification:

Surface mining fees

The fee for anthracite, bituminous, and subbituminous coal (including reclaimed coal) is 35 cents per ton. If the value of a ton is less than \$3.50, the fee is 10 percent of the value.*

Underground mining fees

The fee for anthracite, bituminous, and subbituminous coal is 15 cents per ton. If the value of a ton is less than \$1.50, the fee is 10 percent of the value.*

Lignite coal

The fee for lignite coal, whether surface or underground is, 10 cents per ton. If the value of a ton is less than \$5.00, the fee is 2 percent of the value.*

In situ coal

The fee for in situ mined coal (except lignite coal) is 15 cents per ton based on the Btu number per ton in place equated to the gas produced at the site as certified through analysis by an independent laboratory.

The fee is determined by the weight and value at the time of

- a- initial bona fide sale,
- b- transfer of ownership, or
- c- use by the operator,

whichever is the first use after the coal is removed or reclaimed.

* When claiming anything other than standard rates, documentation must accompany the OSM-1: (a) worksheet listing invoice number, tonnage and revenue, (b) computation of the tonnage rate using the weighted average by quarter, (c) copies of the original and amended invoices.

Also see: payments, fee payments, interest, penalty, due dates.

Fee Payments

Responsibility for Payment

Any operation that produces coal under a permit in compliance with SMCRA should pay AML fees.

The following categories are subject to reclamation fees:

Auger operations

If companies who are operating as auger contractors are also selling the coal, they must be added to the permit for the period of time that they operate.

Dredges

Companies that are dredging for coal are subject to AML fees. Dredging operations without a SMCRA permit will be required to supply a Corps of Engineers permit number.

Face-ups

Face-up tonnage will no longer be computed at the surface rate for underground mines. All underground operations permitted as such will pay the underground rate for face-up.

Carbon recovery, refuse piles and disposal sites

Refer to AML-14 for specific details.

The following categories are exempt from payment of reclamation fees:

16 2/3 exemptions

Entities that have a valid exemption under the 16 2/3 rule of the Act are not subject to the Act and do not owe fees. Audits may be conducted to verify the validity of the exemption.

Non-SMCRA mining permits

Permits issued under a State permitting process not subject to SMCRA are not subject to reclamation fees. It is the responsibility of the OSM-1 Field Office to oversight such operations to determine whether or not these sites should be subject to SMCRA.

Note: Any requests for refunds on exempt items will be sent to FODs for concurrence by DFM.

Manner of Payment

The Code of Federal Regulations, 30 CFR 870.15 requires that each operator pay the reclamation fee based on calendar quarter tonnage no later than thirty days after the end of each calendar quarter. Mine operators make AML fee payments two ways:

- (1) If the reclamation fee for one or more mines is under \$100,000, operators send a check accompanied by an OSM-1 form to the Mellon Bank lockbox.

Office of Surface Mining

P.O. Box 360095M
Pittsburgh, PA 15251

- (2) If the reclamation fee is \$100,000 or more, it must be wire transferred to the Treasury. The operator still sends the OSM-1 form to the Mellon Bank lockbox (same address).

Multiple mines/quarters, one check

A mine operator may submit several OSM-1s at one time (for multiple mines and/or more than one quarter) and make payment with one single check or wire transfer. DFM applies the payment to appropriate mine ID, year/quarters. If overpayment is made on one quarter, the excess may be applied to another quarter (refund offset).

Also see: refund offset, refund, refund policy

**Field
Offices
(OSM)**

The OSM field office listed on the left is responsible for oversight activities in the state(s) listed on the right.

OSM Field Office	State(s)
Lexington, KY	KY
Charleston, WV	WV
Knoxville, TN	TN, NC
Big Stone Gap, VA	VA
Harrisburg, PA	PA, RI, MA, MD
Birmingham, AL	AL, GA, MS
Columbus, OH	OH, MI
Indianapolis, IN	IN
Springfield, IL	IL
Kansas City, MO	MO, IA, KS, NE
Tulsa, OK	OK, TX, LA, AR
Albuquerque, NM	NM, AZ, UT, CO, NV, CA
Casper, WY	WY, MT, ND, SD, ID, AK, WA, OR

Also see: FIPs Codes, codes

FIPs Codes

AML Fee Collection personnel use FIPs codes to order reports and perform queries.

Federal Information Processing

State	ST	FIPS	OFC	State	ST	FIPS	OFC
Alabama	01	01	6	New Mexico	29	35	10
Arizona	02	04	10	New York	30	36	10
Arkansas	03	05	9	N. Carolina	31	37	10
California	04	06	10	N. Dakota	32	38	10
Colorado	05	08	10	Ohio	33	39	7
Connecticut	06	09	10	Oklahoma	34	40	9
Delaware	07	10	10	Oregon	35	41	10
Florida	08	12	10	Pennsylvania	36	42	
Georgia	09	13	6	Rhode Isl.	37	44	
Idaho	10	16	10	S. Carolina	38	45	1
Illinois	11	17	8	S. Dakota	39	46	1
Indiana	12	18	8	Tennessee	40	47	5
Iowa	13	19	9	Texas	41	48	9
Kansas	14	20	9	Utah	42	49	10
Kentucky	15	21	4	Vermont	43	50	10
Louisiana	16	22	9	Virginia	44	51	3
Maine	17	23	9	Washington	45	53	10
Maryland	18	24	2	W. Virginia	46	54	2
Mass.	19	25	2	Wisconsin	47	55	2
Michigan	20	26	7	Wyoming	48	56	10
Minnesota	21	27	7	D.C.	49	11	10
Mississippi	22	28	6	Alaska	50	02	10
Missouri	23	29	9	Hawaii	51	15	10
Montana	24	30	10	Pacific Isl.	52	mult	10
Nebraska	25	31	10	Panama Canal	53	61	10
New Hamp	27	33	10	Puerto Rico	54	72	10

Also see codes, field offices (OSM)

Inactivation of Permits

Inactivations from Permittee/Operator on OSM-1 form

1. All inactivations must be accompanied by a concurring inspection report issued by the SRA in primary states or the OSM Field Office for Federal Program States. The office inactivating the mine will request the permittee/operator to provide an inspection report.

If the permittee/operator does not provide the inspection report, use the RSR to request Field Offices to obtain the inspection report from the State Regulatory Agency.

2. DFM prepares a coding sheet OSM-AMLFCS-2 of deletions and requests concurrence from AVSO.
3. AVSO provides concurrence or denial within 24 hours by fax. Denials include the reason for the denial. The transmittal is signed by the Chief, AVSO or Acting.
4. DFM enters the inactivation into AMLFCS within one day of the receipt of the concurrence from AVSO.

Inactivations made by AVSO

1. On the first day of the months of March, June, September, and December, AVS will send the Request for Status Report (RSR) to the FOD for sites that they are unable to verify.
2. The FOD will return the completed RSR to AVS by the 15th of the month. To close out a permit that is in reclamation, permit revocation/suspension, bond forfeiture, bond release, transferred or abandoned, attach a copy of a state or Federal inspection report.
3. AVSO prepares a coding sheet, OSM-AMLFCS-2, signed by the Chief, AVSO or Acting for all inactivation requests. The request must include documentation of the reason for inactivation; i.e., transfer of permit, written communication from a company, change in permit status in AVS, etc. and a copy of the final inspection report.
4. DFM enters the inactivation into AMLFCS within one day of the receipt of the request from AVSO.

Also see: activation of permits.

Indian/Tribe Land Codes

01	Navajo	17	Laguna
02	Southern Ute	20	Hopi
03	Ute Mountain	21	Assiniboine
04	Crow	22	Northern Arapaho
06	Blackfeet	23	Chippewa Cree
08	Northern Cheyenne	24	Apache
11	Cheyenne River	25	Zuni
12	Uintah and Ouray	26	Devil's Lake Sioux
14	Mescalero	29	Ogala Sioux
15	Jicarillo	30	Turtle Mountain
16	Puertocito	31	Shoshone

Inter-Agency Transfers

Inter-agency transfers are the transfer of monies between Agencies and Departments of the Government. Inter-agency transfers include:

Department of Justice SF-1081s (DOJ1081s)

On-line Payments and Collections (OPACs)

Department of Justice 1081s

Transfers initiated by the Department of Justice to the AML Fee Collection Fund account are for a fee due from past years and quarters, often as a result of bankruptcy or other types of legal settlements. The Department of Justice transfers money collected each month to the AML Fee Collection Fund via an SF1081 (Detail Listing to Support Transfer of Funds from the U.S. Department of Justice). The following steps outline the process:

1. A copy of each Department of Justice SF1081 is sent to the Division of Financial Management. The payment is entered into a suspense account pending notification of payment application (see "suspense accounts").
2. DFM sends a copy of each DOJ1081 to the appropriate Solicitor's Office since the debt referral to DOJ was made by the Solicitor. The Solicitor's Office prepares a coding sheets to DFM specifying how the funds should be applied.

On-line Payments and Collections

An OPAC transfers funds sent to one Governmental Department in error and credits the account of the correct Governmental Department. For example, a payment sent to MSHA, Department of Labor, that should have gone to OSM, Department of Interior, is credited to the OSM account through an OPAC transfer.

Also see: intra-agency transfers, refunds, payments, transfers, suspense accounts.

Interest

A memorandum from the Assistant Solicitor, dated January, 1990, for the Enforcement and Collections Office provides that interest may not be charged if the amount due is paid within 30 days after the date the interest begins to accrue. Since interest on AML fees begins to accrue on the 31st day after the calendar quarter, any payments received within the next 30 days will not be assessed interest. If the payment is not received within that 30 day grace period, interest will be calculated from the 31st day after the end of the quarter. Also see 30 CFR 870.15(c).

Prior to year/quarter 91/01, when payment was received during the three-day grace period after the due date, no interest was charged. When payment was received after the three day grace period, interest was charged.

Since year/quarter 91/01, interest is assessed from the delinquent date (the day after the due date). However, if the payment is received within 30 days after the due date, interest is not assessed.

The AMLFCS calculates interest from the postmark date through the last billing cycle. The "What If" program may be used to calculate current interest between billing cycles.

Use the following formula to calculate the interest due:

$$\text{Principal} \times \text{interest rate} \times \text{days}/365 = \text{interest due}$$

The annual interest rate assessed against unpaid fees is determined by the quarter it occurs in; it may range from 6 percent to 12 percent (see "interest and penalty calculation tables").

Calculating Interest

Year/Quarter 77/4 to 90/4

The following example illustrates how interest was calculated prior to year/quarter 91/1.

Note: For these quarters interest is calculated through the 15th of the month only.

Example 1

Payment of reclamation fee of \$2000 for quarter 89/1 is received with a postmark of June 20, 1989. Since the due date for this quarter is April 30, the number of days are as follows:

28 days in May (3 day grace period is
from May 1 to May 3)

15 days in June (last bill date)

43 days of interest

Using the formula,

$$\$2000 \times .07 \times 43/365 = \$16.49 \text{ interest due}$$

Year/Quarter 91/1 and forward

The following example shows how interest has been calculated since year/quarter 91/1.

Example 2

Payment of reclamation fee of \$2000 for quarter 91/1 is received with a postmark of June 20, 1991. The due date for this quarter is April 30 and the delinquent date is May 1. Interest is calculated from the delinquent date to the last bill date (June 15) prior to the payment.

31 days in May
<u>15 days in June</u>
46 days of interest
Using the formula,
$\$2000 \times .08 \times 46/365 = \$20.16 \text{ interest due}$

When all required assessments have been calculated in non-judgment situations, the payment is applied in this order:

- (1) penalty
- (2) administrative costs
- (3) interest
- (4) reclamation fees

The two examples under "Payments" in this directive illustrate how to apply a single delinquent payment and how to apply multiple delinquent payments. Both examples use the calculations appropriate for situations after year/quarter 91/01.

Also see: payments, penalty, administrative costs, interest and penalty calculation tables

**Interest and
Penalty
Calculation
Tables**

1977-78

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
**77/4	06/15/78	02/15/78	09/01/85	09/01/85	12%	6%
**78/1	06/15/78	05/15/78	09/01/85	09/01/85	12%	6%
**78/2	08/01/78	08/15/78	09/01/85	09/01/85	12%	6%
**78/3	11/03/78	11/15/78	09/01/85	09/01/85	12%	6%
**78/4	02/03/79	02/15/79	09/01/85	09/01/85	12%	6%

** Irregular years and quarters

1979

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
79/1	05/04/79	05/15/79	09/01/85	09/01/85	12%	6%
79/2	08/03/79	08/15/79	09/01/85	09/01/85	12%	6%
79/3	11/03/79	11/15/79	09/01/85	09/01/85	12%	6%
79/4	02/03/80	02/15/80	09/01/85	09/01/85	12%	6%

1980

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
80/1	05/04/80	05/15/80	09/01/85	09/01/85	12%	6%
80/2	08/03/80	08/15/80	09/01/85	09/01/85	12%	6%
80/3	11/03/80	11/15/80	09/01/85	09/01/85	12%	6%
80/4	02/03/81	02/15/81	09/01/85	09/01/85	12%	6%

1981

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
81/1	05/04/81	05/15/81	09/01/85	09/01/85	12%	6%
81/2	08/03/81	08/15/81	09/01/85	09/01/85	12%	6%
81/3	11/03/81	11/15/81	09/01/85	09/01/85	12%	6%
81/4	02/03/82	02/15/82	09/01/85	09/01/85	12%	6%

1982

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
82/1	05/04/82	05/15/82	09/01/85	09/01/85	12%	6%
82/2	08/03/82	08/15/82	09/01/85	09/01/85	12%	6%
82/3	11/03/82	11/15/82	09/01/85	09/01/85	12%	6%
82/4	02/03/83	02/15/83	09/01/85	09/01/85	12%	6%

1983

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
83/1	05/04/83	05/15/83	09/01/85	09/01/85	13%	6%
83/2	08/03/83	08/15/83	09/01/85	09/01/85	11%	6%
83/3	11/03/83	11/15/83	09/01/85	09/01/85	9%	6%
83/4	02/03/84	02/15/84	09/01/85	09/01/85	9%	6%

1984

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
84/1	05/04/84	05/15/84	09/01/85	09/01/85	9%	6%
84/2	08/03/84	08/15/84	09/01/85	09/01/85	9%	6%
84/3	11/03/84	11/15/84	09/01/85	09/01/85	9%	6%
84/4	02/03/85	02/15/85	09/01/85	09/01/85	9%	6%

1985

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
85/1	05/04/85	05/15/85	09/01/85	09/01/85	9%	6%
*85/2	08/03/85	08/15/85	09/01/85	10/29/85	9%	6%
85/3	11/03/85	11/15/85	10/31/85	01/29/86	9%	6%
85/4	02/03/86	02/15/86	01/31/86	05/01/86	8%	6%

*Irregular years and quarters

1986

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
86/1	05/04/86	05/15/86	09/01/86	07/30/86	8%	6%
86/2	08/03/86	08/15/86	07/31/86	10/29/86	8%	6%
86/3	11/03/86	11/15/86	10/31/86	01/29/87	8%	6%
86/4	02/03/87	02/15/87	01/31/87	05/01/87	7%	6%

1987

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
87/1	05/04/87	05/15/87	05/01/87	07/30/87	7%	6%
87/2	08/03/87	08/15/87	07/31/87	10/29/87	7%	6%
87/3	11/03/87	11/15/87	10/31/87	01/29/88	7%	6%
87/4	02/03/88	02/15/88	01/31/88	05/01/88	6%	6%

1988

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
88/1	05/04/88	05/15/88	05/01/88	07/01/88	6%	6%
88/2	08/03/88	08/15/88	07/31/88	10/29/88	6%	6%
88/3	11/03/88	11/15/88	10/31/88	01/29/89	6%	6%
88/4	02/03/89	02/15/89	01/31/89	05/01/89	7%	6%

1989

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
89/1	05/04/89	05/15/89	05/01/89	07/30/89	7%	6%
89/2	08/03/89	08/15/89	07/31/89	10/29/89	7%	6%
89/3	11/03/89	11/15/89	10/31/89	01/29/90	7%	6%
89/4	02/03/90	02/15/90	01/31/90	05/01/90	9%	6%

1990

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
90/1	05/04/90	05/15/90	05/01/90	07/30/90	9%	6%
90/2	08/03/90	08/15/90	07/31/90	10/29/90	9%	6%
90/3	11/03/90	11/15/90	10/31/90	01/29/91	9%	6%
90/4	02/03/91	02/15/91	01/31/91	05/01/91	8%	6%

1991

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
91/1	05/01/91	05/15/91	05/01/91	07/30/91	8%	6%
91/2	07/31/91	07/31/91	07/31/91	10/29/91	8%	6%
91/3	10/31/91	10/31/91	10/31/91	01/29/92	8%	6%
91/4	01/31/92	01/31/92	01/31/92	05/01/92	6%	6%

1992

Year/ Qtr.	Late Date	First Bill Date	Penalty Date	Delinquent Threshold	Interest Rate	Penalty Rate
92/1	05/01/92	05/15/92	05/01/92	07/30/92	8%	6%
92/2	07/31/92	07/31/92	07/31/92	10/29/92	8%	6%
92/3	10/31/92	10/31/92	10/31/92	01/29/93	8%	6%
92/4	01/31/93	01/31/93	01/31/93	05/01/93		6%